GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:4803
ANSWERED ON:24.08.2001
EXPORT PRICE OF SUGAR
Y.S. VIVEKANANDA REDDY

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the present export prices of sugar are less than that of production costs;

(b) if so, the details thereof;

(c) whether a large quantity of sugar stocks are lying in India as there is no market for its exports;

(d) if so, whether the Government are considering any steps to weed out these stocks; and

(e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (S SREENIVASA PRASAD)

(a) &(b): There has been wide fluctuation in the prices realized by the sugar mills/ exporters of sugar on account of export of sugar to different countries. During May 2001 to July 2001, the export price of sugar (F.O.B.) ranged from US $ 214.5 to US$ 327 per tonne. The actual cost of production of sugar, as incurred by various sugar mills, is not maintained by the Government. Hence, no comparison between the two sets of prices is feasible.

(c),(d)&(e): Due to high level of production, during the three consecutive sugar seasons, viz. 1998-99, 1999-2000 and 2000-2001, the level of stocks of sugar held by sugar mills have also increased. In order to reduce the stocks held by the sugar mills the Government has taken the following measures:

(i) Quantitative ceiling on export of sugar has been removed.

(ii) The sugar meant for export has been exempted from the levy obligation.

(iii) Duty Entitlement Pass Book (DEPB) benifit @ 5% value of FOB price of sugar has been allowed.

(iv) Requirement of Registration-cum-Allocation certificate from APEDA has been dispensed w.e.f. 1.4.2001.

(v) The quantity of sugar exported is treated as advance freesale release to be adjusted after a period of 12 months from the date of release.

(vi) The advance releases of freesale sugar are being given to needy sugar mills.

(vii) The sugar factories have been provided temporary relief in lieu of their un-lifted levy sugar quotas by way of permitting them to sell equivalent quantity in the open marked.